



STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
P.O. Box 45500, Olympia, Washington 98504-5500

February 6, 2004

Dear Drug Manufacturers:

As announced at the July 9, 2003 Drug Utilization and Education Council meeting, drug manufacturers may submit offers for supplemental rebates to the Medical Assistance Administration (MAA) prior to the Pharmacy and therapeutics (P&T) Committee's review of drug classes. The federal Centers for Medicare and Medicaid Services (CMS) approved Washington Medicaid's State Plan Amendment for supplemental rebates in September 2002. CMS has also approved the contract template for supplemental rebates. The State Plan Amendment and the contract template are available from MAA by contacting the Pharmacy Program Manager at (360) 725-1564.

Supplemental rebate offers must be received no later than one week prior to the meeting of the P&T Committee during which the drug classes are to be evaluated. MAA suggests that drug manufacturers who wish to participate in supplemental rebates to Washington Medicaid submit three (3) offers:

- 1) Net cost\* as the single, exclusive preferred drug;
- 2) Net cost\* if the drug is one of two preferred drugs; and
- 3) Net cost\* if the drug is one of three preferred drugs.

\* Net cost = (AWP – 14%) minus federal rebate minus supplemental rebate

The new interagency P&T Committee will continue to evaluate the evidence showing relative safety, efficacy, and effectiveness when reviewing drugs in drug classes. Drug manufacturers of drugs in classes where the P&T Committee declares that all drugs in the class are essentially equal, have the opportunity to compete for lowest net cost. In order to broaden client access to drugs, MAA will consider supplemental rebate offers that result in cost-savings without impacting the quality of prescription drug therapy. Bids will be evaluated based on net cost to the state.

February 9, 2004  
Page Two

Interested drug manufacturers submitting offers for supplemental rebates for drugs in the **Skeletal Muscle Relaxant, Insulin Secretagogue-type Oral Hypoglycemic, Triptan, and Urinary Incontinence drug classes** are asked to submit offers by close of business on March 10, 2004 to:

Dennis Braddock, Secretary  
Department of Social and Health Services  
P.O. Box 45010  
Olympia, Washington 98504-5010

No bids will be entertained until the class of drugs is re-evaluated per the P&T Committee schedule.

Thank you for continuing to work with MAA to ensure that Washington Medicaid clients receive quality prescription drug therapy.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas Porter", is written above the typed name.

Douglas Porter, Assistant Secretary  
Medical Assistance Administration